

DRAFT**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division
Public Programs Branch****RESOLUTION T- 16967
December 1, 2005****R E S O L U T I O N**

RESOLUTION T-16967. SEVENTEEN SMALL LOCAL EXCHANGE CARRIERS (LECs) AND THE CALIFORNIA HIGH COST FUND-A (CHCF-A) ADMINISTRATIVE COMMITTEE FUND.

THIS RESOLUTION SETS FORTH THE CHCF-A SUPPORT FOR EACH OF THE 17 SMALL LECs FOR CALENDAR YEAR (CY) 2006.

BY ADVICE LETTER NO.	FILED BY:	DATE FILED:
285	Calaveras Telephone Company (Calaveras)	9/29/05
306	California-Oregon Telephone Company (Cal-Ore)	9/29/05
176	Citizens Telecommunications Company (Citizens-GS) of the Golden State	9/28/05
165	Citizens Telecommunications Company (Citizens-Tu) of Tuolumne	9/28/05
306	Ducor Telephone Company (Ducor)	9/29/05
367	Global Valley Networks, Inc. (Global Valley)	10/3/05
257	Foresthill Telephone Company (Foresthill)	9/29/05
280	Happy Valley Telephone Company (Happy Valley)	10/3/05
250	Hornitos Telephone Company (Hornitos)	10/3/05
343	Kerman Telephone Company (Kerman)	9/29/05
217	Pinnacles Telephone Company (Pinnacles)	9/29/05
347	The Ponderosa Telephone Company (Ponderosa)	9/29/05
339	Sierra Telephone Company (Sierra)	9/28/05
334	Siskiyou Telephone Company (Siskiyou)	9/29/05
642	Verizon West Coast Incorporated (Verizon-WC)	10/6/05
323	Volcano Telephone Company (Volcano)	9/29/05
176	Winterhaven Telephone Company (Winterhaven)	10/3/05

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Summary

This resolution adopts a total CY 2006 California High Cost Fund-A (CHCF-A) support of \$23,384,365.55 for Calaveras, Cal-Ore, Citizens-GS, Citizens-Tu, Ducor, Global Valley Networks, Inc., Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Verizon-WC, Volcano, and Winterhaven. Siskiyou's funding support is not included in this resolution since their funding for Calendar Year 2006 will be resolved in concert with their General Rate Case. The development of the CHCF-A support for each small LEC is shown in Appendix A and explained in the Discussion section. The table below summarizes the monthly and yearly CHCF-A support for each of the 16 small LECs:

<u>Small LEC</u>	<u>Monthly Support</u> <u>2006</u>	<u>Yearly Support</u> <u>2006</u>
Calaveras	\$90,642.56	\$1,087,710.73
Cal-Ore	\$79,960.75	\$959,528.96
Citizens- Golden State	\$0.00	\$0.00
Citizens-Tuolumne	\$0.00	\$0.00
Ducor	\$140,315.95	\$1,683,791.35
Global Valley Networks, Inc.	\$0.00	\$0.00
Foresthill	\$0.00	\$0.00
Happy Valley	\$0.00	\$0.00
Hornitos	\$0.00	\$0.00
Kerman	\$155,230.93	\$1,862,771.18
Pinnacles	\$9,745.73	\$116,948.77
Ponderosa	\$243,807.27	\$2,925,687.25
Sierra	\$1,063,213.33	\$12,758,559.95
Verizon West Coast	\$0.00	\$0.00
Volcano	\$165,780.61	\$1,989,367.36
Winterhaven	\$0.00	\$0.00
Total	<u>\$1,948,697.13</u>	<u>\$23,384,365.55</u>

This resolution directs the Telecommunications Division (TD) in concert with the Information and Management Services Division (IMSD) to pay the respective small LECs monthly support as indicated above within 30 days after the close of each calendar month. The prompt payment of monthly support to the small LECs is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment of the 2006 CHCF-A support. Should the monthly support payments due the small LECs not be paid within 30 days after the close of each

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calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.¹

Background

The California High Cost Fund (HCF) was implemented by D.88-07-022, as modified by D.91-05-016 and D.91-09-042, to provide a source of supplemental revenues to three mid-size and seventeen small Local Exchange Carriers (LECs) whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service. Pacific Bell was appointed as the administrator of the fund. Recognizing the public nature of the fund, Pacific set up a separate trust for the CHCF-A.

D.96-10-066 changed the name of HCF to CHCF-A and created the California High Cost Fund-B (CHCF-B). This decision included Pacific Bell (now SBC), GTE California Incorporated (now Verizon)², Roseville Telephone Company (now SureWest), and Citizens Telecommunications Company of California, Incorporated in the CHCF-B for the purpose of determining universal service subsidy support and maintained the CHCF-A for the 17 small LECs. This decision also directed the Commission to take over the administration of the CHCF-A from Pacific.

Resolution T-16092 approved the transfer of the administrative control of the CHCF-A from Pacific to the Commission effective January 1, 1998. This resolution appointed three Commission staff members as committee members of the CHCF-A Trust Administrative Committee charged with the responsibility of administering the CHCF-A on behalf of the Commission. D.98-06-065 renamed the committee as CHCF-A AC and revised the governance of the CHCF-A consistent with State rules and procedures.

In October 1999, PU Code § 270-281 were codified as a result of the enactment of Senate Bill (SB) 669 (Stats. 1999, Chapter 677). § 270(b) requires that the monies in the CHCF-A and five other funds may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act. Since FY 2001-02, the CHCF-A Fund expenditures have been authorized in the State's Annual Budget Act.

D.01-09-064 revised the charter of CHCF-AC to conform to SB 669, and D.02-04-059 established a three-member board for the CHCF-AC.

¹ This is consistent with directives set forth in D.01-02-018 and D.01-09-064.

² Verizon Telephone Company resulted from the merger of GTE of CA and GTE Contel.

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On or about October 1, 2005, 17 small LECs made their annual CHCF-A advice letter filings in accordance with D.91-09-042. These 17 small LECs requested a total CY 2004 CHCF-A support in excess of \$32 million.

Notice/Protests

The 17 small LECs' 2006 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in October 2005. No protests to the advice letter filings have been received.

Discussion

In this Resolution, the Commission adopts a CHCF-A support of \$23,384,365.55 for CY 2006. This total support is broken down for each of the 16 small LECs as noted in the summary section of this Resolution.

TD in concert with the IMSD shall make the monthly support payments within 30 days after the close of each calendar month.³ In the event that the monthly support payments due to the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.

A. 2006 CHCF-A Revenue Requirements and Supports

TD reviewed the advice letter filings made by the 16 small LECs in connection with the 2006 CHCF-A revenue requirements and revised their requests for the following reasons and discussed below:

1. pursuant to guidelines adopted in D.88-07-022⁴;
2. incorrect determination of the Net Interstate Expense Adjustment;
3. disallowance of recovery of year 2005 non-recurring and year 2006 recurring reductions in wireless intercarrier compensation; and
4. disallowance of intercarrier compensation.

Specific implementation rules and Commission orders that guided TD's revisions include, but are not limited to, the following:

³ The January 2006 monthly support will be paid in February 2006; the December 2006 monthly support will be paid in January 2007.

⁴ D.88-07-022 was modified by D.91-05-016, D.91-09-042, Resolution T-16117, D.00-09-072, D.01-02-018, and D.01-05-031. These guidelines are summarized in the Appendix of D. 91-09-042, which are hereinafter referred to as the Implementation Rules.

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General Rate Cases (GRCs)

Kerman, Global Valley, Sierra, Siskiyou and Volcano filed their GRCs for test year 2003. Calaveras, Cal-Ore, Ducor, Pinnacles and Ponderosa filed their GRCs for test year 2004. Citizens – Golden State, Citizens- Tuolumne, Foresthill, Happy Valley, Hornitos, Verizon – West Coast and Winterhaven’s last GRC filing was for test year 1997. On July 1, 2005, Siskiyou made a general rate case filing for test year 2006.

In the 1997, 2003, and 2004 test year GRCs, the carriers were authorized a 10% rate of return.

Means Test

§ B of the Implementation Rules requires that each CHCF-A support request be subject to a means test, i.e. a small LEC's CHCF-A support is limited to forecasted intrastate results of operations not to exceed the small LEC’s authorized rate of return. The forecasted earnings shall be based on at least seven months of recorded financial data, annualized for the year in which the advice letter is filed. D. 91-09-042 also provides that the means test is not required in determining an LEC’s CHCF-A funding 12 months after a decision or resolution is rendered by the Commission in a General Rate Case proceeding.

Waterfall

Pursuant to § D of the Implementation Rules, the phase down of the CHCF-A funding level is reinitiated effective January 1 following the year after the completion of a GRC. The funding levels are 100% for the first 3 years, 80% the fourth year, 50% the fifth year, and 0% thereafter. This 6-year phase down of funding level is known as the Waterfall.

The funding levels for the 17 small LECs for 2006 are summarized below:

<u>Small ILEC</u>	<u>GRC Test Year</u>	<u>2006</u>
Calaveras	2004	100%
Cal-Ore	2004	100%

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Citizens-GS	1997	0%
Citizens-Tu	1997	0%
Ducor	2004	100%
Global Valley	2003	100%
Foresthill	1997	0%
Happy Valley	1997	0%
Hornitos	1997	0%
Kerman	2003	100%
Pinnacles	2004	100%
Ponderosa	2004	100%
Sierra	2003	100%
Siskiyou ⁵	2006	100%
Verizon-WC	1997	0%
Volcano	2003	100%
Winterhaven	1997	0%

Net Interstate Expense Adjustment

§ B of the Implementation Rules authorizes the small LECs to include the changes of their federal Universal Service Fund (USF) funding in the annual CHCF-A filings. Pursuant to Resolution T-16117, the change of USF funding level shall be determined by the difference between the forecasted USF support for the current year and the forecasted USF support for the coming year. The current year's forecasted USF support is the amount adopted by the Commission for the current year CHCF-A revenue requirement. The coming year's forecasted USF is the amount projected by the National Exchange Carrier Association (NECA), the administrator of USF.⁶

Revenue Effect Associated with Wireless Intercarrier Compensation

⁵ Siskiyou's last GRC was for test year 2003. On July 1, 2005, Siskiyou filed a GRC for test year 2006.

⁶ Data used is the NECA projected 2006 USF Payments provided by NECA on October 14 and 17, 2005.

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On February 24, 2005, the Federal Communications Commission (FCC) released its Declaratory Ruling and Report and Order in its Inter-carrier Compensation Docket (CC Docket No. 01-92) (the T-Mobile Decision). The T-Mobile Decision established new rules prohibiting LECS from imposing compensation arrangements on commercial mobile radio service providers through tariffs. Instead, the LECS must negotiate compensation arrangements with CMRS providers. The FCC order took effect 30 days after publication in the Federal Register. In the 2006 CHCF-A filing, Calaveras, Cal-Ore, Ducor, Global Valley, Foresthill, Kerman, Pinnacles, Ponderosa, Siskiyou, and Volcano included recovery of 50% of the revenues from May through December 2005 and CY 2006 that would have been billed to the wireless carriers if not for the T-Mobile Decision. Sierra included projected losses as a result of the T-Mobile Decision as a write-off of a percentage of previously billed revenues. Sierra proposes to perform a true-up in the accounting year when the actual write-off amount is determined.

While Paragraph B of Appendix A of Decision 91-05-016 allows the inclusion of regulatory changes of industry-wide effect that have an impact on revenues issued by the Commission and FCC, the actual extent of the impact on the small LECs revenues cannot be determined at this time. As stated in the FCC ruling, the LECS must negotiate compensation arrangements with CMRS providers. From the time the FCC order was released and subsequently took effect upon publication in the Federal Register, the small LECs have only been able to negotiate an agreement with one wireless carrier. The small LECs have yet to file that agreement with the Commission. Since the impact of the T-Mobile Decision on the small LECs' revenues is undetermined at this time, the Commission cannot include these two items in determining the CHCF-A draw for Calaveras, Cal ore, Ducor, Global Valley, Foresthill, Kerman, Pinnacles, Ponderosa, Siskiyou, and Volcano. For the same reason, the Commission cannot include the write-off of the projected loss in revenue due to the T-Mobile Decision in determining Sierra's CHCF-A draw for CY 2006.

The small LECs may include the impact of the T-Mobile Decision in their next CHCF-A filing, when the result of the small LECs negotiated agreements with wireless carriers have been determined and the losses, if any, have been determined. In the case of

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Foresthill, Foresthill is not eligible to claim revenue losses due to FCC's T-Mobile Decision in its next CHCF-A filing as Foresthill's waterfall is set at 0% and Foresthill has not filed a rate case since 1997. Thus, Foresthill is not eligible to receive any CHCF-A funding until a general rate case is filed.

Revenue Effect Associated with the reduction in Inter-carrier Compensation

In the 2006 CHCF-A filing, Calaveras, Cal-Ore, Ducor, Global Valley, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano included a line item reflecting a possible outcome in FCC's Further Notice of Proposed Rulemaking (CC Docket NO. 01-92) in the matter of developing Unified Inter-carrier Compensation Rules.

In this further Notice, the FCC seeks to replace the existing inter-carrier compensation rules with a unified approach. In the 2006 CHCF-A filings, Calaveras, Cal-Ore, Ducor, Global Valley, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano included a line item reflecting a possible outcome in the FCC Inter-carrier Compensation Docket.

Since the FCC has yet to adopt a revised rule for inter-carrier compensation, the Commission cannot include this item in determining the CHCF-A draws for Calaveras, Cal-Ore, Ducor, Global Valley, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano.

The small LECs may include the impact of the FCC's revised rule on inter-carrier compensation, as adopted by FCC and the Commission, in their next CHCF-A filing. In the case of Foresthill, Foresthill is not eligible to claim revenue losses due to changes in the inter-carrier compensation rules in its next CHCF-A filing as Foresthill's waterfall is 0% and Foresthill has not filed a rate case since 1997. Thus, Foresthill is not eligible to receive any CHCF-A funding until a general rate case is filed.

The CHCF-A support and the rate designs for each of the 17 small LECs for CY 2006 are summarized below. The detailed tables showing the CHCF-A support for the 16 small LECs are shown in Appendix A.

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Calaveras, Page 1 of Appendix A

Calaveras has a 2006 CHCF-A revenue requirement of \$1,087,710.73 (at Line 6, Page 1 of Appendix A). Since Calaveras projected a rate of return of less than 10% and Calaveras' waterfall is set at 100%, Calaveras will receive a monthly support of \$90,642.56 for January through December 2006, i.e., one-twelfth of \$1,087,710.73.

Cal-Ore, Page 2 of Appendix A

Cal-Ore has a 2006 CHCF-A revenue requirement of \$959,528.96 (at Line 6, Page 2 of Appendix A). Since Cal-Ore projected a rate of return of less than 10% and Cal-Ore's waterfall is set at 100%, Cal-ore will receive a monthly support of \$79,960.75 for January through December 2006, i.e., one-twelfth of \$959,528.90.

Citizens-GS, Page 3 of Appendix A

Citizens-GS has a 2006 CHCF-A revenue requirement of \$204,717.43 (at Line 6, Page 3 of Appendix A). However, the waterfall funding for Citizens-Golden State is 0%. Citizens-Golden State will not receive any CHCF-A funding for 2006.

Citizens-Tu, Page 4 of Appendix A

Citizens-Tu has a 2006 CHCF-A revenue requirement of \$867,575.26 (at Line 6, Page 4 of Appendix A). However, due to the waterfall, Citizens-Tu is eligible for 0% of the funding level. Citizens-Tu will not receive any CHCF-A funding for 2006.

Ducor, Page 5 of Appendix A

Ducor has a 2006 CHCF-A revenue requirement of \$1,683,791.35 (at Line 6, Page 5 of Appendix A). Since Ducor projected a rate of return of less than 10% and Ducor's waterfall is set at 100%, Ducor will receive a monthly support of \$140,315.95 for January through December 2006, i.e., one-twelfth of \$1,683,791.35.

Global Valley Networks, Inc., Page 6 of Appendix A

Global Valley has a 2006 CHCF-A revenue requirement of \$1,872,067 (at Line 6, Page 6 of Appendix A). However, Global Valley, in Advice Letter #367 stated that they are not requesting any CHCF-A draw in 2006. Thus, Global Valley will not receive any CHCF-A support in 2006.

Foresthill, Page 7 of Appendix A

Foresthill has a 2006 CHCF-A revenue requirement of \$843,496.28 (at Line 6, Page 7 of Appendix A). However, Foresthill, in Advice letter # 257 stated that they are not

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requesting any CHCF-A draw in 2006. Thus, Foresthill will not receive any CHCF-A funding at this time.

Happy Valley, Page 8 of Appendix A

Happy Valley has a 2006 CHCF-A revenue requirement of \$2,380,416.27 (at Line 6, Page 8 of Appendix A). Happy Valley, in Advice Letter #280 stated that it is not seeking CHCF-A funding in 2006. Thus, Happy Valley will not receive any CHCF-A support at this time.

Hornitos, Page 9 of Appendix A

Hornitos has a 2006 CHCF-A revenue requirement of \$421,278.00 (at Line 6, Page 9 of Appendix A). Hornitos, in Advice letter #250, stated that it is not requesting a draw from the CHCF-A at this time. Therefore, Hornitos will not receive any CHCF-A support for 2006.

Kerman, Page 10 of Appendix A

Kerman has a CHCF-A revenue requirement of \$1,862,771.18 (at Line 6, Page 10 of Appendix A). Since Kerman projected a rate of return of less than 10% and its waterfall is set at 100%, Kerman will receive a monthly CHCF-A support of \$155,230.93 for January through December 2006, i.e. one-twelfth of \$1,862,771.18.

Pinnacles, Page 11 of Appendix A

Pinnacles has a 2006 CHCF-A revenue requirement of \$169,748.12 (at Line 6, Page 11 of Appendix A). This amount is reduced to \$116,948.77 after the means test. Since Pinnacles waterfall is set at 100%, Pinnacles will receive a monthly support of \$9,745.73 for January through December 2006, i.e., one-twelfth of \$116,948.77.

Ponderosa, Page 12 of Appendix A

Ponderosa has a 2006 CHCF-A revenue requirement of \$2,925,687.25 (at Line 6, Page 12 of Appendix A). Since Ponderosa projected a rate of return of less than 10% and its waterfall is set at 100%, Ponderosa shall receive a monthly CHCF-A support of \$ 243,807.27 for January through December 2006, i.e. one-twelfth of \$2,925,687.25.

Sierra, Page 13 of Appendix A

Sierra has a CHCF-A revenue requirement of \$12,758,559.95 (at Line 6, Page 13 of Appendix A). Since Sierra projected a rate of return of less than 10% and its waterfall is set at 100%, Sierra shall receive a monthly CHCF-A support of \$1,063,213.33 for January through December 2006, i.e. one-twelfth of \$12,758,559.95.

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Verizon-WC, Page 14 of Appendix A

Verizon-WC has a 2006 CHCF-A revenue requirement of \$811,335 (at Line 6, Page 14 of Appendix A). In its advice letter, Verizon-WC stated that they are not requesting a draw from the CHCF-A. Thus, Verizon-WC will not receive any CHCF-A support for 2006.

Volcano, Page 15 of Appendix A

Volcano has a CHCF-A revenue requirement of \$1,989,367.36 (at Line 6, Page 15 of Appendix A). Since Volcano projected a rate of return of less than 10% and since its waterfall is set at 100%, Volcano shall receive a monthly CHCF-A support of \$165,780.61 for January through December 2006, i.e. one-twelfth of \$1,989,367.36.

Winterhaven, Page 16 of Appendix A

Winterhaven has a 2006 CHCF-A revenue requirement of \$45,009.50 (at Line 6, Page 16 of Appendix A). In its advice letter, Winterhaven stated that they are not requesting a draw from the CHCF-A. Thus, Winterhaven will not receive any CHCF-A support for 2006.

The Commission finds TD's recommended CHCF-A support payments for the 16 small LECs for 2006 reasonable and consistent with our orders and are therefore adopted.

B. CHCF-A Budget for FY 2005-06 and FY 2006-07

The Commission, in Resolution T- 16956, adopted a revised FY 2005-06 CHCF-A program budget of \$42.695 million and a \$58.814 million CHCF-A program budget for FY 2006-07. Of the budgeted amounts, \$ 31.084 million and \$47.720 million have been allocated as program payments to the small LECs for FY 2005-06 and FY 2006-07, respectively.

There are enough funds in both the FY 2005-06 and FY 2006-07 budgets to cover the 2006 CHCF-A support to the small LECs.

Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was emailed on November 1, 2005 informing the 17 small LECs, the CHCFA-AC, the parties of record in R01-08-002 and the parties on the service list of A99-09-044 of the availability of the draft of this Resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov/static/documents/index.htm>. This letter also informed parties that the final Resolution adopted by the Commission will be posted and will be available at the same web site.

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Comments filed on a timely basis will be addressed by the Telecommunications Division in this resolution.

Findings

1. The California High Cost Fund (HCF) was implemented by Decision (D.) 88-07-022, as modified by D.91-05-016 and D.91-09-042. The Implementation Rules governing the CHCF-A can be found in their entirety in the Appendix of D.91-09-042. The purpose of the HCF was to provide a source of supplemental revenues to three mid-size Local Exchange Carriers (LECs) and seventeen small LECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service.
2. D.96-10-066 changed the name of HCF to California High Cost Fund A (CHCF-A) and created the California High Cost Fund-B (CHCF-B). This decision included the three mid-size LECs in the CHCF-B for the purpose of determining universal service subsidy support and maintained the CHCF-A for the 17 small LECs. D.98-06-065 renamed the CHCF-A Trust Administrative Committee to CHCF-A Administrative Committee (CHCFA-AC) and revised the governance of CHCF-A to be consistent with State rules and procedures.
3. In October 1999, Public Utilities (PU) Code § 270-281 were codified as a result of the enactment of Senate Bill 669.
4. PU Code § 270(b) requires that the monies in CHCF-A may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act.
5. The Telecommunications Division (TD) reviewed the filings made by the 17 small Local Exchange Carriers (LECs) in connection with the 2006 CHCF-A payment requirements.
6. TD revised the 2006 CHCF-A support requests submitted by the 17 small LECs in accordance with the Implementation Rules and Guidelines set forth in D.88-07-022 as modified by D.91-05-016, D.91-09-042, Resolution T-16117, D.00-09-072 and D.01-02-018.
7. Siskiyou's 2006 CHCF-A draw should be addressed as a part of Commission action in Siskiyou's General Rate Case resolution.
8. In the computation of the CHCF-A support, the Commission should not consider :
 - a. the small LECs claims for recovery of revenue losses for 2005 and 2006 associated with Wireless Inter-carrier Compensation (FCC Declaratory Ruling and Report and Order in its Inter-carrier Compensation Docket (CC Docket No. 01-92) (the T-Mobile Decision). The effect of the T-Mobile

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decision should be considered by the Commission after the small LECs have negotiated compensation arrangements with wireless carriers and the actual extent of losses, if any, have been determined; and

- b. the small LECs claims for the revenue effects associated with the reduction in intercarrier compensation since the FCC has yet to adopt revised rules for intercarrier compensation.

The small LECS should include claims for these two items in their next CHCF-A filing.

9. The total approved 2006 CHCF-A draw for Calaveras, Cal-Ore, Citizens-GS, Citizens-Tu, Ducor, Global Valley Networks, Inc., Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Verizon-WC, Volcano, and Winterhaven should be \$23,384,365.55.
10. The monthly support payments for January 2006 through December 2006 are to be paid by the TD in concert with the Information and Management Services Division within 30 days after the close of each calendar month subject to the availability of funds and the Commission and State adoption of the budgets covering the payment of the 2006 CHCF-A support. In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.
11. The Commission, in Resolution T- 16956, adopted a revised FY 2005-06 CHCF-A program budget of \$42.695 million and a \$58.814 million CHCF-A program budget for FY 2006-07. There are enough funds in both the FY 2005-06 and FY 2006-07 budgets to cover the 2006 CHCF-A support to the small ILECs.
12. A notice letter was emailed on November 1, 2005 informing the 17 small LECs, the CHCFA-AC, the parties of record in R01-08-002 and the parties on the service list of A99-09-044 of the availability of the draft resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov/static/documents/index.htm>. In addition they were informed of the availability of the conformed resolution, when adopted by the Commission, at the same web site.
13. The Commission finds TD's recommended CHCF-A support for each of the 16 small LECs as summarized in Appendix A of this Resolution reasonable and consistent with Commission orders and should be adopted.

THEREFORE, IT IS ORDERED that:

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1. The respective California High Cost Fund A (CHCF-A) support for each of the 16 small Local Exchange Carriers (LECs), as described in the body and summarized in Appendix A of this Resolution, is adopted.
2. The total approved CHCF-A support of \$23,384,365.55 for the 16 LECs for 2006 is as listed below:

<u>Small LEC</u>	<u>Monthly Support</u> <u>2006</u>	<u>Yearly Support</u> <u>2006</u>
Calaveras	\$90,642.56	\$1,087,710.73
Cal-Ore	\$79,960.75	\$959,528.96
Citizens- Golden State	\$0.00	\$0.00
Citizens-Tuolumne	\$0.00	\$0.00
Ducor	\$140,315.95	\$1,683,791.35
Global Valley Networks, Inc.	\$0.00	\$0.00
Foresthill	\$0.00	\$0.00
Happy Valley	\$0.00	\$0.00
Hornitos	\$0.00	\$0.00
Kerman	\$155,230.93	\$1,862,771.18
Pinnacles	\$9,745.73	\$116,948.77
Ponderosa	\$243,807.27	\$2,925,687.25
Sierra	\$1,063,213.33	\$12,758,559.95
Verizon West Coast	\$0.00	\$0.00
Volcano	\$165,780.61	\$1,989,367.36
Winterhaven	\$0.00	\$0.00
Total	<u>\$1,948,697.13</u>	<u>\$23,384,365.55</u>

The monthly support payments for January 2006 through December 2006 are to be paid by the Telecommunications Division in concert with the Information and Management Services Division within 30 days after the close of each calendar month. The prompt payment of monthly support to the LECs is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment for the 2006 CHCF-A support. In the event that the monthly support payments due the small LECs are not paid within 30 days after the close of each calendar month, TD shall include in those payments interest equal to the 3-month commercial paper rate.

3. The \$23,384,365.55 program support payment for the 16 small LECs shall be paid out of the CHCF-A fund.

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This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 1, 2005. The following Commissioners approved it:

STEVE LARSON
Executive Director

APPENDIX A
Resolution T- 16967

	Calaveras AL 285	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$1,300,786.00	\$1,300,785.73	\$1,300,785.73
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$87,404.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$131,106.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$1,315,870.00	\$1,315,870.00	\$1,315,870.00
b Projected Year 2006 USF (Per NECA.)	(\$1,538,537.00)	(\$1,528,945.00)	(\$1,528,945.00)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$222,667.00)	(\$213,075.00)	(\$213,075.00)
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$1,296,629.00	\$1,087,710.73	\$1,087,710.73
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$1,296,629.00	\$1,087,710.73	\$1,087,710.73
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$1,296,629.00	\$1,087,710.73	\$1,087,710.73
11 2006 Revenue Requirement after Means Test	\$1,296,629.00	\$1,087,710.73	\$1,087,710.73
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$1,296,629.00	\$1,087,710.73	\$1,087,710.73
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$405,000.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$1,701,629.00	\$1,087,710.73	\$1,087,710.73
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$141,802.42	\$90,642.56	\$90,642.56

APPENDIX A
Resolution T- 16967

	Cal-Ore AL 306	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$1,060,575.00	\$1,060,575.41	\$1,060,575.41
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$71,324.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$106,986.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment a Projected 2005 USF (Resolution T-16893, Appendix A line 5b) b Projected Year 2006 USF (Per NECA.) c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$1,416,500.00 (\$1,506,409.00) (\$89,909.00)	\$1,416,499.55 (\$1,517,546.00) (\$101,046.45)	\$1,416,499.55 (\$1,517,546.00) (\$101,046.45)
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$1,148,976.00	\$959,528.96	\$959,528.96
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$1,148,976.00	\$959,528.96	\$959,528.96
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$1,148,976.00	\$959,528.96	\$959,528.96
11 2006 Revenue Requirement after Means Test	\$1,066,646.00	\$959,528.96	\$959,528.96
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$1,066,646.00	\$959,528.96	\$959,528.96
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$227,500.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$1,294,146.00	\$959,528.96	\$959,528.96
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$107,845.50	\$79,960.75	\$79,960.75

APPENDIX A
Resolution T- 16967

	Citizens-GS AL 176	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$204,718.00	\$204,717.75	\$204,717.75
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$1,473,528.00	\$1,473,528.00	\$1,473,528.00
b Projected Year 2006 USF (Per NECA.)	(\$1,609,910.00)	(\$1,473,528.32)	(\$1,473,528.32)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$136,382.00)	(\$0.32)	(\$0.32)
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$68,336.00	\$204,717.43	\$204,717.43
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$68,336.00	\$204,717.43	\$204,717.43
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$68,336.00	\$204,717.43	\$204,717.43
11 2006 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Intercarrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$0.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$0.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 16967

	Citizens-Tu AL 165	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$867,575.00	\$867,575.26	\$867,575.26
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$1,005,650.00	\$1,005,649.84	\$1,005,649.84
b Projected Year 2006 USF (Per NECA.)	(\$933,006.00)	(\$1,005,649.84)	(\$1,005,649.84)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$72,644.00	\$0.00	\$0.00
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$940,219.00	\$867,575.26	\$867,575.26
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$940,219.00	\$867,575.26	\$867,575.26
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$940,219.00	\$867,575.26	\$867,575.26
11 2006 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Intercarrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$0.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$0.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 16967

	Ducor AL 306	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$1,681,206.00	\$1,681,206.30	\$1,681,206.30
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$19,582.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$29,373.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment a Projected 2005 USF (Resolution T-16893, Appendix A line 5b) b Projected Year 2006 USF (Per NECA.) c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$1,023,105.00 (\$1,013,658.00) \$9,447.00	\$1,023,105.05 (\$1,020,520.00) \$2,585.05	\$1,023,105.05 (\$1,020,520.00) \$2,585.05
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$1,739,608.00	\$1,683,791.35	\$1,683,791.35
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$1,739,608.00	\$1,683,791.35	\$1,683,791.35
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$1,739,608.00	\$1,683,791.35	\$1,683,791.35
11 2006 Revenue Requirement after Means Test	\$1,739,608.00	\$1,683,791.35	\$1,683,791.35
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$1,739,608.00	\$1,683,791.35	\$1,683,791.35
14 Intercarrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$212,500.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$1,952,108.00	\$1,683,791.35	\$1,683,791.35
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$162,675.67	\$140,315.95	\$140,315.95

APPENDIX A
Resolution T- 16967

	Global Valley AL 367	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$1,872,067.00	\$1,872,067.00	\$1,872,067.00
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$454,011.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$908,203.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment a Projected 2005 USF (Resolution T-16893, Appendix A line 5b) b Projected Year 2006 USF (Per NECA) c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00 \$0.00 \$0.00	\$0.00 \$0.00 \$0.00	\$0.00 \$0.00 \$0.00
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$3,234,281.00	\$1,872,067.00	\$1,872,067.00
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$3,234,281.00	\$1,872,067.00	\$1,872,067.00
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$3,234,281.00	\$1,872,067.00	\$1,872,067.00
11 2006 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$382,500.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$382,500.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$31,875.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 16967

	Foresthill AL 257	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$959,218.00	\$959,217.86	\$959,217.86
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$54,565.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$81,847.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$328,515.00	\$328,515.42	\$328,515.42
b Projected Year 2006 USF (Per NECA.)	(\$555,795.00)	(\$444,237.00)	(\$444,237.00)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$227,280.00)	(\$115,721.58)	(\$115,721.58)
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$868,350.00	\$843,496.28	\$843,496.28
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$868,350.00	\$843,496.28	\$843,496.28
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$868,350.00	\$843,496.28	\$843,496.28
11 2006 Revenue Requirement after Means Test	\$868,350.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Intercarrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$420,000.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$420,000.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$35,000.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 16967

	Happy Valley 280	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$2,247,968.42	\$2,247,968.42	\$2,247,968.42
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$552,906.85	\$552,906.85	\$552,906.85
b Projected Year 2006 USF (Per NECA.)	(\$395,930.00)	(\$420,459.00)	(\$420,459.00)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$156,976.85	\$132,447.85	\$132,447.85
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$2,404,945.27	\$2,380,416.27	\$2,380,416.27
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$2,404,945.27	\$2,380,416.27	\$2,380,416.27
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$2,404,945.27	\$2,380,416.27	\$2,380,416.27
11 2006 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$0.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$0.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 16967

	Hornitos AL 250	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$405,488.92	\$405,488.92	\$405,488.92
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$164,975.08	\$164,975.08	\$164,975.08
b Projected Year 2006 USF (Per NECA.)	(\$144,645.00)	(\$149,186.00)	(\$149,186.00)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$20,330.08	\$15,789.08	\$15,789.08
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$425,819.00	\$421,278.00	\$421,278.00
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$425,819.00	\$421,278.00	\$421,278.00
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$425,819.00	\$421,278.00	\$421,278.00
11 2006 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$0.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$0.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 16967

	Kerman AL 343	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$1,683,853.00	\$1,683,853.16	\$1,683,853.16
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$143,183.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$214,774.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$1,959,887.00	\$1,959,887.02	\$1,959,887.02
b Projected Year 2006 USF (Per NECA)	(\$2,300,000.00)	(\$1,780,969.00)	(\$1,780,969.00)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$340,113.00)	\$178,918.02	\$178,918.02
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$1,701,697.00	\$1,862,771.18	\$1,862,771.18
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$1,701,697.00	\$1,862,771.18	\$1,862,771.18
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$1,701,697.00	\$1,862,771.18	\$1,862,771.18
11 2006 Revenue Requirement after Means Test	\$1,701,697.00	\$1,862,771.18	\$1,862,771.18
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$1,701,697.00	\$1,862,771.18	\$1,862,771.18
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$688,011.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$2,389,708.00	\$1,862,771.18	\$1,862,771.18
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$199,142.33	\$155,230.93	\$155,230.93

APPENDIX A
Resolution T- 16967

	Pinnacles AL 217	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$241,451.00	\$241,451.10	\$241,451.10
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$3,206.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$4,809.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment a Projected 2005 USF (Resolution T-16893, Appendix A line 5b) b Projected Year 2006 USF (Per NECA.) c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$328,956.00 (\$401,275.00) (\$72,319.00)	\$328,956.02 (\$400,659.00) (\$71,702.98)	\$328,956.02 (\$400,659.00) (\$71,702.98)
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$177,147.00	\$169,748.12	\$169,748.12
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$177,147.00	\$169,748.12	\$169,748.12
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$177,147.00	\$169,748.12	\$169,748.12
11 2006 Revenue Requirement after Means Test	\$119,540.00	\$116,948.77	\$116,948.77
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$119,540.00	\$116,948.77	\$116,948.77
14 Intercarrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$40,000.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$159,540.00	\$116,948.77	\$116,948.77
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$13,295.00	\$9,745.73	\$9,745.73

Resolution T- 16967

	Ponderosa AL 347	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$2,909,604.00	\$2,909,603.76	\$2,909,603.76
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$126,732.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$190,098.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$5,870,310.00	\$5,870,310.49	\$5,870,310.49
b Projected Year 2006 USF (Per NECA)	(\$5,947,574.00)	(\$5,854,227.00)	(\$5,854,227.00)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$77,264.00)	\$16,083.49	\$16,083.49
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$3,149,170.00	\$2,925,687.25	\$2,925,687.25
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$3,149,170.00	\$2,925,687.25	\$2,925,687.25
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$3,149,170.00	\$2,925,687.25	\$2,925,687.25
11 2006 Revenue Requirement after Means Test	\$3,149,170.00	\$2,925,687.25	\$2,925,687.25
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$3,149,170.00	\$2,925,687.25	\$2,925,687.25
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$957,429.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$4,106,599.00	\$2,925,687.25	\$2,925,687.25
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$342,216.58	\$243,807.27	\$243,807.27

APPENDIX A
Resolution T- 16967

	Sierra AL 339	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$12,750,128.00	\$12,750,127.71	\$12,750,127.71
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment a Projected 2005 USF (Resolution T-16893, Appendix A line 5b) b Projected Year 2006 USF (Per NECA.) c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$6,228,798.00 (\$6,465,000.00) (\$236,202.00)	\$6,228,798.24 (\$6,220,366.00) \$8,432.24	\$6,228,798.24 (\$6,220,366.00) \$8,432.24
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$12,513,926.00	\$12,758,559.95	\$12,758,559.95
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$12,513,926.00	\$12,758,559.95	\$12,758,559.95
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$12,513,926.00	\$12,758,559.95	\$12,758,559.95
11 2006 Revenue Requirement after Means Test	\$12,513,926.00	\$12,758,559.95	\$12,758,559.95
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$12,513,926.00	\$12,758,559.95	\$12,758,559.95
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$1,246,641.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$13,760,567.00	\$12,758,559.95	\$12,758,559.95
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$1,146,713.92	\$1,063,213.33	\$1,063,213.33

APPENDIX A
Resolution T- 16967

	Verizon-WC AL 642	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$811,335.00	\$811,335.00	\$811,335.00
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected Year 2006 USF (Per NECA.)	\$0.00	\$0.00	\$0.00
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$0.00	\$0.00
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$811,335.00	\$811,335.00	\$811,335.00
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$811,335.00	\$811,335.00	\$811,335.00
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$811,335.00	\$811,335.00	\$811,335.00
11 2006 Revenue Requirement after Means Test	\$686,782.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Intercarrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$0.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$0.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 16967

	Volcano AL 323	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$1,652,939.36	\$1,652,939.36	\$1,652,939.36
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$111,560.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Intercarrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$167,340.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment a Projected 2005 USF (Resolution T-16893, Appendix A line 5b) b Projected Year 2006 USF (Per NECA.) c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$3,545,580.00 (\$3,197,770.00) \$347,810.00	\$3,545,580.00 (\$3,209,152.00) \$336,428.00	\$3,545,580.00 (\$3,209,152.00) \$336,428.00
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$2,279,649.36	\$1,989,367.36	\$1,989,367.36
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$2,279,649.36	\$1,989,367.36	\$1,989,367.36
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$2,279,649.36	\$1,989,367.36	\$1,989,367.36
11 2006 Revenue Requirement after Means Test	\$2,279,649.36	\$1,989,367.36	\$1,989,367.36
12 Waterfall effect	100.00%	100.00%	100.00%
13 2006 Revenue Requirement after Waterfall	\$2,279,649.36	\$1,989,367.36	\$1,989,367.36
14 Intercarrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$1,114,500.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$3,394,149.36	\$1,989,367.36	\$1,989,367.36
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$282,845.78	\$165,780.61	\$165,780.61

APPENDIX A
Resolution T- 16967

	Winterhaven AL176	Staff Proposed	Commission Adopted
1 2005 CHCF-A Requirement (Resolution T-16893, Appendix A line 8)*	\$101,124.75	\$101,124.75	\$101,124.75
2 Adjustments to 2005 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
3 Year 2005 Impacts (Non-Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
4 Year 2006 Impacts (Recurring) Wireless Inter-carrier Compensation (FCC Docket #01-92 Declaratory Ruling and Report and Order adopted February 17, 2005)	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2005 USF (Resolution T-16893, Appendix A line 5b)	\$254,839.75	\$254,839.75	\$254,839.75
b Projected Year 2006 USF (Per NECA.)	(\$310,535.00)	(\$310,955.00)	(\$310,955.00)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$55,695.25)	(\$56,115.25)	(\$56,115.25)
6 2006 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$45,429.50	\$45,009.50	\$45,009.50
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2006 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2007)	\$45,429.50	\$45,009.50	\$45,009.50
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2006 Revenue Requirement eligible for CHCF-A Support	\$45,429.50	\$45,009.50	\$45,009.50
11 2006 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2006 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Inter-carrier compensation (FCC Docket 01-92 Further Notice of Proposed Rulemaking adopted February 10, 2005)	\$0.00	\$0.00	\$0.00
15 2006 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2006 (Line 15/12)	\$0.00	\$0.00	\$0.00